

Message Text

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PAGE 01 ISLAMA 00483 160726Z

21

ACTION NEA-09

INFO OCT-01 EUR-12 ISO-00 SP-02 AID-05 EB-07 NSC-05 RSC-01

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 COME-00

XMB-02 CIAE-00 INR-07 NSAE-00 /070 W

----- 048499

R 160500Z JAN 75

FM AMEMBASSY ISLAMABAD

TO SECSTATE WASHDC 8438

AMEMBASSY MOSCOW

AMCONSUL LAHORE

LIMITED OFFICIAL USE ISLAMABAD 0483

FOLLOWING SENT ACTION ISLAMABAD FROM KARACHI 15 JAN 75
REPEATED FOR YOUR INFORMATION.

QUOTE

LIMITED OFFICIAL USE KARACHI 0095

E. O. 11652: N/A

TAGS:

SUBJECT: EXPLANATION OF NEW RUBLE CREDIT FOR STEEL MILL

REF: ISLAMABAD A-4 OF 6 JAN 1975

1. I GOT FROM FARIDI LAST NIGHT THE EXPLANATION OF THE
FACT THAT THE NEW RUBLE CREDIT FOR THE STEEL MILL IS LOWER
THAN THE FIGURE MENTIONED LAST NOVEMBER. FARIDI SAID
THAT IN NOVEMBER THEY HAD PERSUADED THE RUSSIANS TO CON-
SIDER AN ADDITIONAL CREDIT OF "UP TO 228 MILLION RUBLES"
BECAUSE THE RUSSIANS WERE HOLDING OUT FOR A LARGE ELEMENT
OF BARTER (COMMODITY REPAYABLE LOAN) RATHER THAN STRAIGHT
CREDIT. PAKISTANIS WERE VERY RESISTANT TO BARTER ARRANGE-
MENT BECAUSE THEY OBJECT TO HAVING THEIR EXPORT COMMO-
DITIES COMMITTED IN SUCH A WAY THAT THEY CANNOT TAKE ADVANTAGE

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OF MOST FAVORABLE MARKET AND THEY ARE AWARE OF SCOPE FOR

ENDLESS NIGGLING OVER PRICING IN SUCH AN ARRANGEMENT. IN DECEMBER TRIP TO MOSCOW, FARIDI AND RAFI RAZA WERE ABLE TO PERSUADE THE RUSSIANS TO PUT THE LOAN ENTIRELY ON STRAIGHT CREDIT BASIS IN WHICH CASE 160 MILLION RUBLES IS AMPLE TO COVER REMAINDER OF PRESENTLY FORESEEABLE FOREIGN EXCHANGE REQUIREMENTS.

2. INCIDENTALLY, FARIDI EXPRESSED DIRECTLY TO ME WHAT I HAD ALREADY HEARD FROM OTHER SOURCES, NAMELY EXTRAVAGANT PRAISE FOR RAFI RAZA'S FORENSIC AND NEGOTIATING ABILITIES. FARIDI SAID RAZA GAVE A 2 1/2 HOUR EXPOSITION (INCLUDING TRANSLATION TIME OF COURSE) OF PAKISTANI POSITION TO THE RUSSIANS, LEADING SOVIET MINISTER OF STATE TO COMPLIMENT HIM PROFUSELY ON THE FORCE, ORGANIZATION AND PRECISE LANGUAGE OF HIS DELIVERY. FARIDI SAID HE WAS FRANKLY SURPRISED AS HE HAD NOT KNOWN RAZA WELL AND HAD NOT FULLY APPRECIATED HIS QUALITIES.

3. I AM PASSING PARA 1 TO YOU RATHER THAN REPORTING IT DIRECTLY BECAUSE REFAIR APPEARS TO HAVE A SLIGHT ERROR IN MENTIONING FIGURE OF 220 MILLION RUBLES AS THE ONE AGREED TO IN NOVEMBER. THIS APPEARS TO BE A MISPRINT FOR 228 RPT 228 MILLION RUBLES. I THOUGHT PERHAPS YOU MIGHT LIKE TO PASS ON GIST OF PARA 1 TO DEPARTMENT AND INFO ADDRESSEES OF REFAIR AND TAKE SAME OPPORTUNITY TO MAKE THIS SLIGHT CORRECTION.
TIGER

UNQUOTE

LUPPI

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NNN

Message Attributes

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Margaret P. Grafeld
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